



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Dennis Kennedy, Mayor
Steve Tate, Mayor Pro Tempore
Larry Carr, Council Member
Mark Grzan, Council Member
Greg Sellers, Council Member

REDEVELOPMENT AGENCY

Dennis Kennedy, Chair
Steve Tate, Vice-Chair
Larry Carr, Agency Member
Mark Grzan, Agency Member
Greg Sellers, Agency Member

WEDNESDAY, JANUARY 19, 2005

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL AND REGULAR MEETING

and

REDEVELOPMENT AGENCY SPECIAL MEETING

6:00 P.M.

A Special Meeting of the City Council and Redevelopment Agency is Called at 6:00 P.M. for the Purpose of Conducting Closed Sessions.

Dennis Kennedy, Mayor/Chairman

CALL TO ORDER

(Mayor/Chairperson Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

6:00 P.M.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 2

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: City of Morgan Hill v. VBN Corporation and ABSG Consulting, Inc.
Court/Case Number: Santa Clara County Superior Court, Case Number 1-03-CV-008266.

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Authority: Pursuant to Government Code 54956.9(a)
Case Name: City of Morgan Hill v. Tanya J. Keppler
Case Number: Santa Clara County Superior Court, Case No. 1-04-CV-016682

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATIONS

Peak Performance Awards
Challenge Award - Kevin Higgins
Innovation Award - Steve Pendleton
Professional Growth Award - Karen Nelson
Teamwork Award - Aquatics Center Opening:
Serjio Jauragi, Theresa Magno, Shelly Yowell, Aaron Himelson and Julie Spier
Employee of the Year - Patti Yinger
Director of Human Resources Fisher

Introduction of New Police Staff

Elizabeth Reese
Jamie Pereira
Kyle Christensen
Dawnelle Jackson
Bill Norman
Police Chief Cumming

Introduction of Police Department Centennial Badges

Police Officers Ken Howard and David Ray
Police Chief Cumming

PROCLAMATIONS

Blood Donor Month
Ms. Lemberger and Ms. Knopf

CITY COUNCIL REPORT
Mayor Pro Tempore Tate

CITY COUNCIL SUB-COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.
(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**
(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council Action

CONSENT CALENDAR:

ITEMS 1-10

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate
Consent Calendar: 1 - 10 Minutes

Page

1. **SECOND AMENDMENT TO CABLE FRANCHISE AGREEMENT**..... 1
Recommended Action(s): Authorize the City Manager to Execute the Second Amendment to Cable Television Franchise Agreement.

2. **APPROVE CHANGE ORDER FOR SIGNING AND STRIPING FOR CLASS II BIKEWAYS PROJECT** 7
Recommended Action(s):
 1. **Approve** Change Order in the Amount of \$14,500 for Additional Striping and Removal Along Butterfield Boulevard and Portions of Dunne Avenue to Comply with Class II Bike Lane Requirements; and
 2. **Appropriate** \$14,500 from the Current Year Public Facilities 346 Fund (Measure C CIP) Balance to Cover Costs Associated with this Change Order.

3. **ACCEPTANCE OF SIDEWALK IMPROVEMENTS ALONG THE NORTH SIDE OF EDMUNDSON AVENUE FROM COMMUNITY PARK TO MONTEREY ROAD** 11
Recommended Action(s):
 1. **Accept** as Complete the Sidewalk Addition (Edmundson/Monterey) Project in the Final Amount of \$55,349; and
 2. **Direct** the City Clerk to File the Notice of Completion with the County Recorder's Office.

4. **APPROVE WATER METER SOLE SOURCE PURCHASE** 15
Recommended Action(s):
 1. **Approve** Purchase of Water Meters, Meter Parts and MXU's (Radio Transmitters) from Invensys Metering Systems; and
 2. **Approve** Purchase Order of \$299,300 to Invensys Metering Systems for the Annual Supply of Water Meters, Meter Parts and MXUs.

5. **SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT FOR JACKSON OAKS BOOSTER STATION**..... 21
Recommended Action(s): Approve Second Amendment to the Agreement with Freitas Engineering for Design and Construction Services on the Jackson Oaks Booster Station, Increasing the Contract Amount by \$6,000; Subject to Review and Approval of the City Attorney.

6. **AMENDMENT OF BANKING SERVICES AGREEMENT**..... 23
Recommended Action(s): Authorize the City Manager to Amend the Agreement with South Valley National Bank to Continue Banking Services through December 31, 2005, Subject to Review and Approval by the City Attorney.

7. **CO-HOST REQUEST FOR THE FAR WESTERNS CHAMPIONSHIPS SWIM MEET** 33
Recommended Action(s): Direct Staff to Co-Host the Far Westerns Championships Swim Meet as Outlined in the Report.

8. **ADOPT ORDINANCE NO. 1705, NEW SERIES**.....37
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1705, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1680 NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP-02-03: TILTON-GLENROCK (APNS 764-9-06, 16, 17, 32 & 33).**

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
9.	<u>ADOPT ORDINANCE NO. 1706, NEW SERIES, AS AMENDED</u> Recommended Action(s): <u>Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1706, New Series, As Amended, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE ZONING DESIGNATION OF A 4.8-ACRE AREA FROM R2(3,500) AND CG, GENERAL COMMERCIAL TO R3/RESIDENTIAL PLANNED DEVELOPMENT (RPD) AND ADOPTING A PRECISE DEVELOPMENT PLAN FOR A 67-UNIT MULTI-FAMILY PROJECT LOCATED BETWEEN MONTEREY ROAD AND DEL MONTE AVENUE, NORTH OF WRIGHT AVENUE (APNs 764-12-008, -009, -018, & -019)/(ZA-04-18: MONTEREY – SOUTH COUNTY HOUSING).	43
10.	<u>ADOPT ORDINANCE NO. 1707, NEW SERIES</u> Recommended Action(s): <u>Waive</u> the Reading, and <u>Adopt</u> Ordinance No.1707, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-04-02: MONTEREY – SOUTH COUNTY HOUSING (ROYAL COURT) (APNs 764-12-008, -009, -018, & -019)/(DA-04-07: MONTEREY – SOUTH COUNTY HOUSING).	51

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 11-15

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
11.	<u>DEPOT STREET CAPITAL GRANT ACCEPTANCE</u> Recommended Action(s): 1. <u>Adopt</u> Resolution Accepting the Metropolitan Transportation Commission's Transportation for Liveable Communities Capital Grant to Improve Depot Street; and 2. <u>Appropriate</u> \$341,314 from Fund 317's Balance to Provide the Grant's Required Match.	73
12.	<u>LOAN FOR THE ISAACSON GRANARY</u> Recommended Action(s): <u>Approve</u> Request from Charles Weston and Lesley Miles to Convert Amortized Payments to Interest-Only Payments for a Five Month Period Beginning in January 2005 Thru May 2005.	79
13.	<u>ADDITIONAL LOAN FOR OFF-SITE IMPROVEMENTS FOR DAY WORKER CENTER PROJECT</u> Recommended Action(s): <u>Authorize</u> the Executive Director to Prepare and Execute all the Necessary and Appropriate Legal Documents, Subject to Agency Counsel Review, Needed to Provide an Additional \$15,000 Loan to Charles Weston and Lesley Miles to Construct the Offsite Improvements Related to the Day Worker Center Project.	83
14.	<u>APPROVE JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 15, 2004</u>	87

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	

- | | | |
|-----|---|----|
| 15. | <u>APPROVE JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 15, 2004</u> | 89 |
|-----|---|----|

Redevelopment Agency Action

CONSENT CALENDAR:

ITEM 16

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	

- | | | |
|-----|---|-----|
| 16. | <u>ANNUAL STATE REDEVELOPMENT REPORTS FOR FISCAL YEAR 2003-2004</u>
<u>Recommended Action(s):</u> File the 2003-2004 Redevelopment Agency's Annual Report of Financial Transactions, Housing Annual Report of Housing Activity, and Property Report. | 135 |
|-----|---|-----|

City Council Action (Continued)

CONSENT CALENDAR:

ITEM 17

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	

- | | | |
|-----|--|-----|
| 17. | <u>APPROPRIATE FUNDS FOR THE SAFE ROUTES TO SCHOOL GRANT PROJECT (CENTRAL-MONTEREY PEDESTRIAN IMPROVEMENTS)</u>
<u>Recommended Action(s):</u> <u>Appropriate</u> \$47,000 in Funds from Unappropriated Traffic Impact Fee Fund Balance to Cover the City's 20% Funding Contribution for this Project. | 191 |
|-----|--|-----|

City Council Action

PUBLIC HEARINGS:

	Time Estimate	Page
--	---------------	------

- | | | | |
|-----|-----------|---|-----|
| 18. | 5 Minutes | <u>RESOLUTION AUTHORIZING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE WEEDS</u>
Public Hearing Opened.
Please Limit Your Remarks to 3 Minutes. Public Hearing Closed
Council Discussion.
Action- <u>Adopt</u> Resolution Authorizing the Santa Clara County Department of Agriculture and Resource Management to Abate Weeds. | 195 |
|-----|-----------|---|-----|

PUBLIC HEARINGS:

	Time Estimate		Page
19.	5 Minutes	<u>DEVELOPMENT AGREEMENT, DA-04-06: COCHRANE-BORELLO</u>	211
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Motion to Waive</u> the Reading in Full of Development Agreement Ordinance.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	
20.	60 Minutes	<u>GENERAL PLAN AMENDMENT, GPA-04-07/ ZONING AMENDMENT, ZA-04-14: CITY OF MORGAN HILL – DOWNTOWN PLAN</u>	243
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Approve</u> Mitigated Negative Declaration.	
		Action- <u>Adopt</u> Resolution Approving General Plan Text Amendments.	
		Action- <u>Adopt</u> Resolution Approving General Plan Land Use Map Amendments for Three Separate Areas within the Downtown Area.	
		Action- <u>Motion to Waive</u> the Reading in Full of Ordinance Incorporating an R-4 Multi-Family High Density Residential District into the Morgan Hill Municipal Code.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	
		Action- <u>Motion to Waive</u> the Reading in Full of Ordinance Amending the City's Zoning Map on Three Separate Areas within the Downtown Area.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	
		Action- <u>Motion to Waive</u> the Reading in Full of Ordinance Designating Seven Parcels, Including the "Sunsweet Property", as a PUD.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	
		Action- <u>Motion to Waive</u> the Reading in Full of Ordinance Amending Chapter 18.50 of the Morgan Hill Municipal Code, Off-Street Parking and Paving Standards.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	
21.	30 Minutes	<u>GENERAL PLAN AMENDMENT, GPA-04-04/ ZONING AMENDMENT, ZA-04-10: MONTEREY ROAD-MORGAN HILL MEDICAL</u>	317
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Adopt</u> Resolution Denying General Plan Amendment Request.	
		Action- <u>Adopt</u> Resolution Denying Zoning Amendment Request.	
22.	15 Minutes	<u>GENERAL PLAN AMENDMENT, GPA-04-08/ ZONING AMENDMENT, ZA-04-20: TENNANT-HUANG</u>	333
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Approve</u> Mitigated Negative Declaration.	
		Action- <u>Adopt</u> General Plan Amendment Resolution.	
		Action- <u>Motion to Waive</u> the Reading in Full of Ordinance.	
		Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
23.	30 Minutes	<u>COUNCIL REVIEW OF DOWNTOWN TRAFFIC CALMING OPTIONS</u>	357
		<u>Recommended Action(s):</u>	
		1. <u>Proceed</u> with Option A; and	
		2. <u>Provide Direction</u> to Staff Regarding Options A4(a) and A4(b).	
24.	10 Minutes	<u>INSURANCE REQUIREMENTS FOR IMPROVEMENT AND SUBDIVISION IMPROVEMENT AGREEMENTS</u>	417
		<u>Recommended Action(s):</u>	
		1. <u>Approve</u> Policy Changes Concerning Insurance Requirements for Improvement and Subdivision Improvement Agreements ; and	
		2. <u>Direct</u> Staff to Include Policy Requirements in New Improvement and Subdivision Improvement Agreements, subject to City Attorney Review and Approval.	
25.	15 Minutes	<u>DOWNTOWN AREA BUILDING ALLOTMENT</u>	425
		<u>Recommended Action(s): Council Discretion.</u>	
26.	10 Minutes	<u>REVIEW OF CITY COUNCIL COMMITTEES AND APPOINTMENTS TO OUTSIDE AGENCIES</u>	437
		<u>Recommended Action(s):</u>	
		1. <u>Review</u> the Current List of Assignments and Appointments and Make Suggested Changes to the Mayor;	
		2. Mayor to <u>Appoint</u> Council Members to Serve on the Various Council Committees and Outside Agencies, Subject to City Council Approval; and	
		3. <u>Direct</u> the City Clerk to Notify the Appropriate Agencies of Amended Assignments.	

Redevelopment Agency Action

OTHER BUSINESS:

	Time Estimate		Page
27.	20 Minutes	<u>DOWNTOWN REQUEST FOR PROPOSAL (RFP): GRANADA THEATER AND GUNTER BROTHERS GRANARY</u>	467
		<u>Recommended Action(s):</u>	
		1. <u>Direct Staff</u> to Negotiate Agreements with the Developer/Theater Operator and the Landlord for the Granada Theater in an Amount Not to Exceed \$1,060,000, Subject to Review and Approval of Agency Counsel;	
		2. <u>Direct Staff</u> to Negotiate an Agreement with the Developers of the Gunter Brothers Project in an Amount Not to Exceed \$363,000, Subject to Review and Approval of Agency Counsel;	
		3. <u>Direct Staff</u> to Work With Glenrock to Revise its Proposal to more closely meet the Goals of the Downtown Plan; and	
		4. <u>Direct Staff</u> to Work with the Developer/Operator of Booksmart/Thinker Toys to Encourage a Joint Venture with one of the Property Owners along the Third Street Block for the Relocation and Expansion of the Business.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT